



# JTPA

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Serving the People of California

DIRECTIVE

Date: October 29, 1997

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TO: SERVICE DELIVERY AREA ADMINISTRATORS  
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS  
JTPD PROGRAM OPERATORS  
EDD JOB SERVICE OFFICE MANAGERS  
JTPD STAFF

SUBJECT: EDUCATION GRANTS AND LOANS

## EXECUTIVE SUMMARY:

### **Purpose:**

The purpose of this Directive is to provide guidance for the use of Job Training Partnership Act (JTPA) funds coordinated with Pell Grants and U.S. Department of Education (ED) Grant funds, to preclude duplicate or overlapping payments, while ensuring that the best mix of programs and funds are available to JTPA participants.

### **Scope:**

This Directive applies to all California Service Delivery Areas (SDA), Private Industry Councils (PIC) and other entities contracting directly with the State of California, Employment Development Department (EDD), to operate programs funded under JTPA.

### **Effective Date:**

This Directive is effective upon its date of issuance. The SDAs may immediately modify agreements with training institutions to arrange coordination between JTPA and financial assistance programs, provided the conditions described herein are met. At the SDA's option, agreements with training institutions may be modified at some later time, such as during the next contract negotiations. It is not mandatory that SDAs change existing agreements with training institutions if coordination between JTPA and education assistance has not been a problem.

## REFERENCES:

- JTPA Sections 107(b) and (c), 141(b), 205(b), and 265(b)
- Title 20 Code of Federal Regulations (CFR), Section 627.220

- Department of Labor (DOL) Training and Employment Information Notice (TEIN) 25-89, Department of Education Pell Grants in Relation to JTPA Funding
- DOL TEIN 23-90, Publication of Proposed Training and Employment Guidance Letter (TEGL) on JTPA Program Coordination with Pell Grants as a Federal Register Notice

### **STATE-IMPOSED REQUIREMENTS:**

This Directive contains no State-imposed requirements.

### **FILING INSTRUCTIONS:**

This Directive supersedes JTPA Directive 88-4, dated July 6, 1988. Retain this Directive until further notice.

### **BACKGROUND:**

As stated in Title 20 CFR, Part 627.220(a), financial assistance programs under Title IV of the Higher Education Act (HEA) of 1965, as amended, provide student financial aid and are available to JTPA participants enrolling in postsecondary-level education programs. These programs include the Pell Grant program, the Supplemental Education Opportunity Grant program, the Work-Study program, and federal loan programs such as Federal Perkins Loans, Federal Stafford Loans and Federal Direct Stafford Loans. The SDAs and Title III subgrantees shall establish coordination procedures and contractual safeguards to ensure that JTPA funds are used in addition to funds otherwise available in the area and are coordinated with these funding sources.

The Pell Grant program is administered by the Office of Student Financial Assistance within the U.S. Department of Education. The Pell Grant program, which is authorized by HEA, is the largest grant program of the federal student financial assistance programs. Pell Grants can be used for a student's cost of attendance, which includes tuition and fees, room and board, books, supplies, transportation and miscellaneous expenses, child care, and special costs for handicapped students.

A federal Pell Grant, unlike a loan, does not have to be repaid. Pell Grants are awarded only to undergraduate students who have not earned a bachelor's or professional degree. (A professional degree would include a degree in a field such as pharmacy or dentistry.) The U.S. Department of Education uses a standard formula (Pell Grant Index number) to evaluate the information provided by the student when they apply for a Pell Grant. The formula produces an Expected Family Contribution number and, combined with the cost of attendance, determines the amount of the grant the participant will receive.

Relevant sections of JTPA law and regulations that pertain to education grants and loans are as follows:

Section 107(b) of JTPA states:

“Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, state, or local sources, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve the service delivery area’s performance goals.”

Section 107(c) of JTPA states:

“Appropriate education agencies in the service delivery area shall be provided the opportunity to provide educational services unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants’ continued occupational and career growth.”

Section 141(b) of JTPA states:

“Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.”

Section 205(b) of JTPA states:

“OTHER APPROPRIATE LINKAGES—In addition to the linkages required under subsection (a), each service delivery area receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with local educational agencies, local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development, and social service programs.”

Section 265(b) of JTPA states:

“EDUCATION AND TRAINING PROGRAM LINKAGES.—In conducting the program assisted under this part, service delivery areas shall establish appropriate linkages with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs assisted under—

- (1) part B of Title IV (the Job Corps);
- (2) parts A through D of chapter 1 of Title I of the Elementary and Secondary Education Act of 1965 (20 United States Code (U.S.C.) 2711 et seq.);

- (3) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);
- (4) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);
- (5) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);
- (6) part F of Title IV of the Social Security Act (JOBS) (42 U.S.C. 681 et seq.);
- (7) the Food Stamp Act (7 U.S.C. 2011 et seq.);
- (8) the National Apprenticeship Act (29 U.S.C. 50 et seq.);
- (9) the Stewart B. McKinney Homeless Assistance Act (Public law 100-77; 101 Stat. 482); and
- (10) any other provisions of this Act.”

## **PROCEDURES:**

### **General:**

The Pell Grant is intended to be the basis of the student's financial aid, to which federal, State, and local resources are adequately coordinated to meet the training and education-related costs of services so the participant can afford to complete the program. A student's eligibility for a Pell Grant does not depend on the availability of Pell Grant funds at a particular school. Congress provides funds to all eligible Pell Grant applicants on a nationwide basis.

As stated in JTPA Section 627.220 (b): “The SDA shall assist the participant early in the objective assessment, as appropriate, to establish eligibility for Pell Grants, student loans, and other forms of financial aid.”

Once financial need is demonstrated, a student applying for a Pell Grant must meet the general Title IV student eligibility requirements as well as the specific Pell Grant requirements. The Title IV requirements are that the applicant must: (1) be a citizen, national, or permanent United States resident; (2) be in possession of a high school diploma or its recognized equivalent (or beyond the age of compulsory school attendance) and have the ability to benefit from the training offered; (3) be accepted for enrollment in an eligible school, in an eligible program, to earn a degree, certificate, or complete a training program; (4) in general, be enrolled at least half time; (5) be making satisfactory progress and (6) not be defaulted on federal education loans received or owing funds to any other Title IV program for attending any school.

For JTPA eligibility determination purposes:

- grants are included in family income if, at intake, the grant has been received; and

- loans are excluded from family income, but may affect a student's level of need when determining JTPA needs-based payments.

Students may not be coerced into applying for, or accepting, loans or grants. They may not be told, by the SDA or by subgrantees, that applying for a grant and/or loan is a condition of eligibility for participation in training. A grant may not be used as a reward for achievement. If the SDA/PIC and subgrantee agree that a portion of the cost of training will be covered by student loans, then loans may be sought. If loans are used, then the SDA shares the responsibility of informing participants about any loans incurred as a result of training.

### **Coordinating JTPA Programs and Pell Grant Awards:**

The SDA shall record in the participant record the participant's training-related financial assistance needs and determine whether the participant qualifies for a Pell Grant.

The JTPA training resources may be used in conjunction with educational assistance funds, as long as funds from different sources are used to pay for different costs. The JTPA funds may be used to supplement, not supplant, training resources available through education assistance programs. Both JTPA and education assistance can pay training costs for the same participant, as long as the SDA can demonstrate that JTPA funds were used to pay costs for which other funds were unavailable.

Most JTPA participants are eligible for educational assistance. Coordinating JTPA with educational assistance resources is the responsibility of the SDA. Options available for coordination depend largely on how the training institutions handle educational assistance funds. Options are:

- I. When the training institution does not reserve a portion of the loan for accrued expenses (such as tuition or supplies), and the funds go entirely to the student, they are considered subsistence payments and are thus unavailable to cover training costs. In this situation, at the option of the SDA, JTPA funds may cover the entire cost of training while education assistance funds are used for subsistence. When this occurs, the SDA must reduce any needs-based payments by the amount received by the student, on a pro-rata basis over the remainder of the training.
- II. When the training institution reserves a portion of the loan for accrued expenses, the SDA must ensure that duplicative payments are not made. The JTPA may pay any cost that the education assistance does not pay, provided the SDA can demonstrate that JTPA payments did not duplicate payments from other sources. One way to do this would be to develop a budget that details costs (including training and/or support costs), and identify the source from which each cost was paid.

Under JTPA, "training cost" includes more activities than under Pell and other education assistance programs (i.e., job development, labor market orientation, and

job counseling). For education assistance purposes, the cost of training is limited to tuition, books, supplies, and miscellaneous costs (student body fees, parking, etc.). The JTPA would be used when the costs of tuition, books and supplies exceed education assistance amounts.

**ACTION:**

Please note that future agreements with training providers must contain clauses to ensure that training programs do not receive funding from both JTPA and Pell Grants for the same services.

**INQUIRIES:**

If you have any questions about information contained in this Directive, please contact your Program Manager or Georganne Pintar of the Policy Unit at (916) 654-7611.

/S/ BILL BURKE  
Acting Assistant Deputy Director